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Traffic Management

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UBLICATION

For Logistics Managers

APRIL 1989

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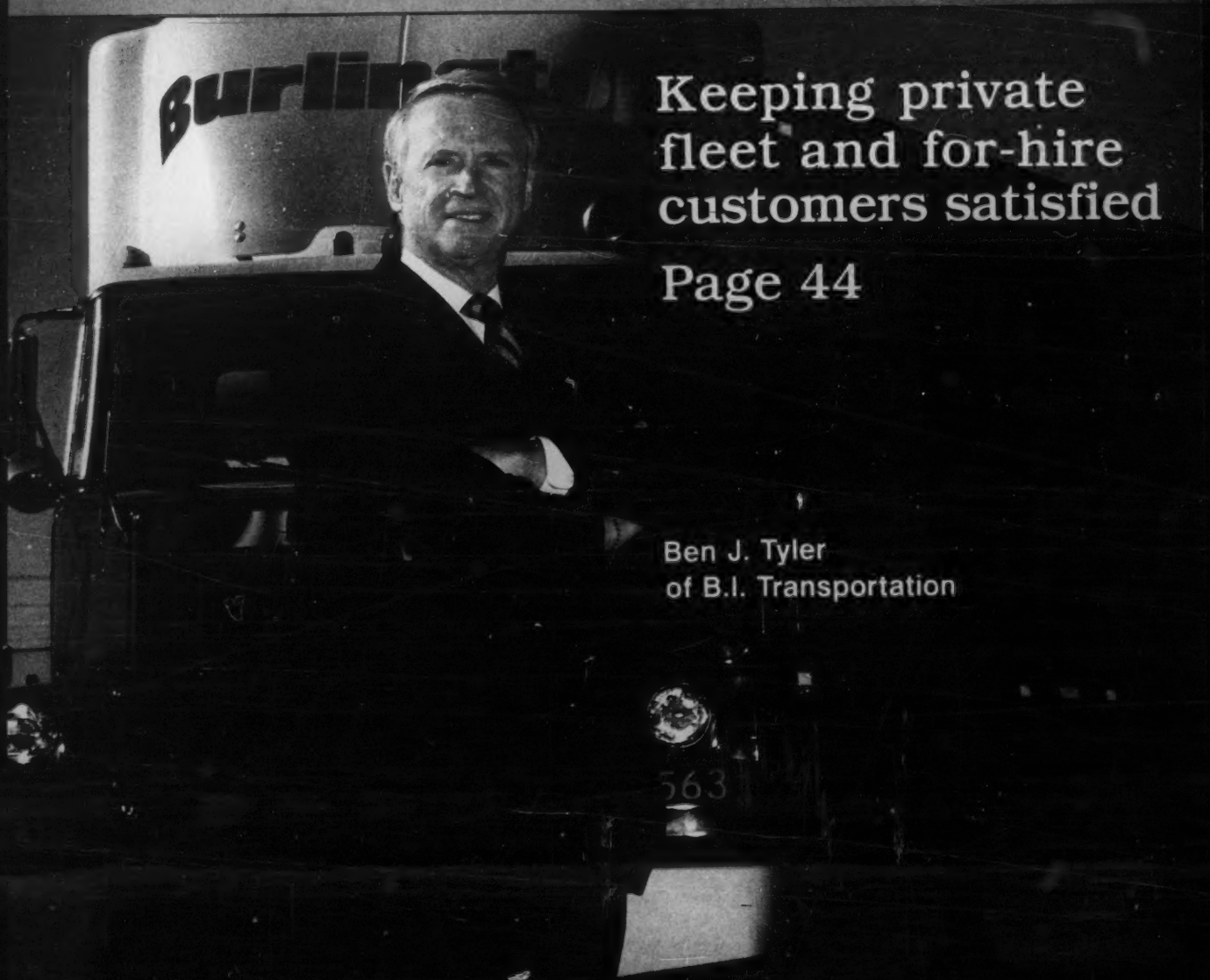

Keeping private fleet and for-hire customers satisfied

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Ben J. Tyler
of B.I. Transportation

About our cover:
Ben J. Tyler of B.I. Transportation oversees a fleet that successfully serves both private and for-hire customers. **Page 44**

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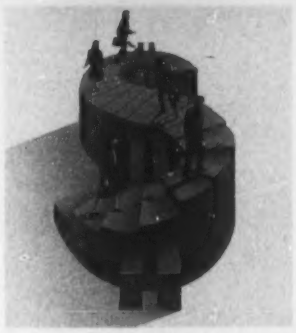

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Editorial

Francis J. Quinn

BY FRANCIS J. QUINN, EDITOR

The salary survey: A commentary

Traffic Management's annual reader salary survey, which begins on Page 33 of this issue, provides a telling commentary on the progress of our profession. It chronicles the steady rise of compensation levels among professionals working in transportation and distribution. And, as importantly, it underscores some of the pivotal changes taking place in our dynamic field.

Looking at the dollar figures by themselves, we're happy to note that the numbers keep heading up. The average reader salary now is $44,020. This respectable amount is about $8,000 more than the average posted in our first salary survey conducted five years ago.

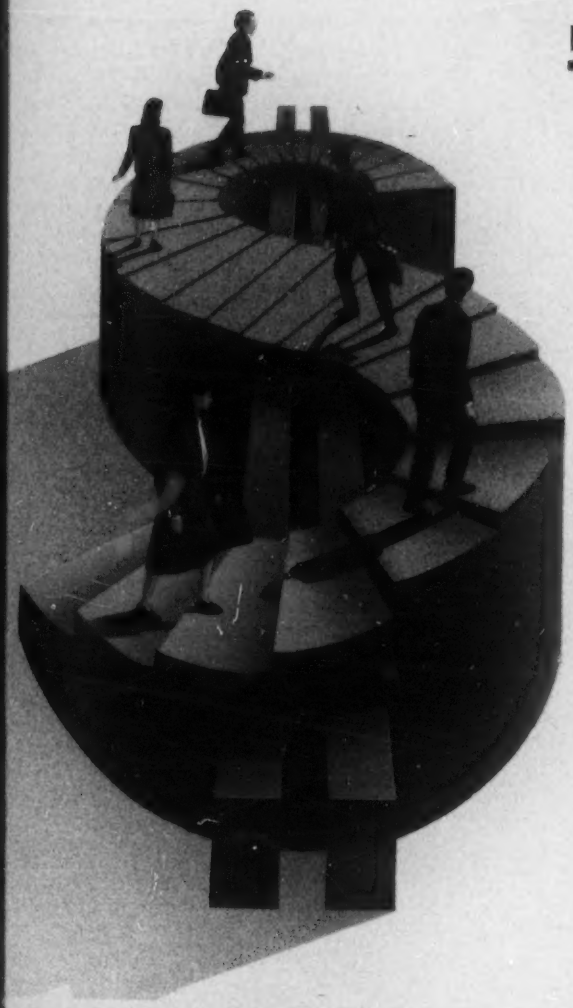
Analyzing this year's responses by job title, we found that a wide gap existed between junior-level traffic managers and those closer to the top of the corporate hierarchy. While the junior people are earning in the low $30,000s, the most senior logistics managers—those with titles like vice president of distribution or corporate transportation manager—average more than $68,000 a year. As a group, these senior people are making about $5,000 (or 9 percent) more than last year.

Job titles are only one way to look at the salary figures. Our salary report also analyzes the responses by such variables as primary job function, amount of supervisory responsibility, years of experience, and company size. Perhaps the most revealing analyses, however, are by education level and by gender. These findings can be summarized as follows: Having a college education makes a $10,000 a year difference in earnings potential; being male makes a $16,000 difference.

Beyond the dollar figures themselves, the survey results point to some significant changes affecting the profession. For one, the survey strongly suggests that the much-publicized downsizing of traffic departments is, in fact, a reality. In last year's survey, 16 people reported to the average survey respondent. This year, the number was down to 12. Part of this downsizing is due to increased computerization and the attendant decline in human resources. Another likely explanation is that certain logistics functions formerly handled in-house now are being outsourced.

The survey results also reinforce the notion that reader job responsibilities continue to expand. As proof of this, an increasing percentage of respondents this year listed their primary job as "distribution/logistics," the broadest category that could be checked.

Salaries are by no means the only measure of an individual manager's contribution to his company—or of the advancement of logistics professionals as a whole. But compensation certainly is as meaningful as any other measure. Applying this yardstick, our readers stack up as important members of the management team.



Onward and upward

Salaries keep rising for professionals working in traffic, transportation, and distribution. Results of ***TM***'s latest reader survey put the average pay at more than $44,000 a year.

BY FRANCIS J. QUINN, EDITOR

Salary Survey: The Highlights

- **Salary—$44,020**
- **Increase over last year (median)—5%**
- **Years of experience—15**
- **Years with present company—11**
- **Years in present job—6**
- **Supervisory responsibility—12 people**
- **Age—42 years**
- **Education—College degree (52%)**

Salaries continue to rise for readers of ***Traffic Management*** Magazine. But exactly how much you make—and how fast you're making it—depends upon a number of factors. Some of these factors (such as job title and function, the industry you work in, and your educational background) are elements you can control to some extent. Other variables that affect your salary are factors you can't do much about. Your age and sex are the two principal examples.

Welcome to the findings of ***Traffic Management***'s fifth annual salary survey, which has become the most comprehensive of its kind in the transportation/distribution field. This year, we tabulated the first 2,000 reader questionnaires that reached our offices. These survey returns flowed in from every part of the country and from every management level—from entry-level traffic clerks to directors of corporate distribution departments. An independent survey-research firm, working under the direction of Cahners Publishing Co.'s Research Department, tabulated the completed questionnaires.

Considering the range of responses received, it's difficult to characterize a truly "typical" reader. But if one were to construct a composite respondent based on the statistical averages, he would look like this: A 42-year-old male whose annual pay just inched past $44,000, thanks to a 6-percent increase following his latest salary review. He's a veteran transportation professional, boasting 15 years of

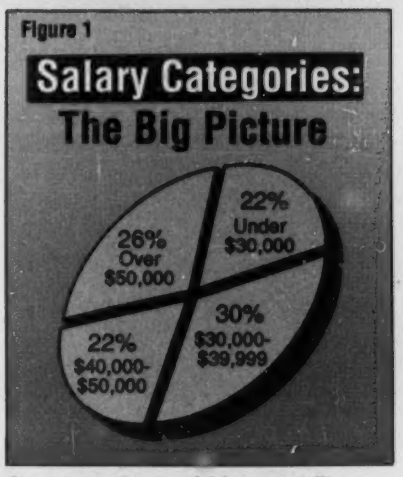
experience in the field. Our composite reader currently supervises a staff of 12 people. He's been working in his company for 11 years, performing his current job for the past six years.

The Dollar Details

Annual salaries for the 2,000 readers whose responses were tallied in this year's survey averaged just over $44,000—$44,020 to be exact. What brought the overall average up to $44,000 were those 26 percent whose earnings topped $50K. This year, for the first time, a higher percentage of readers made over $50,000 than under $30,000. Figure 1 gives the breakdown of respondents by salary range.

This year's salary average is the highest recorded in the five-year history of our survey. Although this $44,020 figure is only 3 percent higher than last year's average of $42,800, the median increase reported by survey respondents was 5 percent. Because our survey is random, the exact same readers don't participate in it from year to year. This probably explains the difference between the reported increase of 5 percent and the actual 3-percent difference between the two survey averages.

Figure 1



***Our survey shows a fairly even split** between readers making over and under $40,000. A high proportion of readers—one out of every four—now earn more than $50,000 annually.*

Generally speaking, salary increases were uniform across the various salary categories. In other words, respondents making $50,000-plus received the same 5- to 6-percent increase last year as those readers earning less than $30,000. A small number of the respondents (13 percent) reported salary increases of 10 percent or more. In general, however, these big increases seem to be the exception.

This year, as in the past, compensation levels varied greatly by job title. Leading the salary race with a respectable $68,875 were readers with corporate- or divisional-manager titles. In a photo finish for second place were respondents with the words vice president or general manager on their business cards. They averaged $68,757—or only $118 less than the top title category.

Bringing up the rear of the derby were readers with titles such as assistant traffic manager or traffic analyst. These junior managers came in at $33,793, about half what the vice presidents and corporate distribution executives averaged. Traffic managers—our single biggest title category, representing about one-third of the total sample—averaged $38,347. This is $1,700, or about 5 percent, more than they earned last year. Yet traffic managers still lagged behind the overall average by about $6,000. (For a complete listing of average salaries by job title, see Figure 2.)

From a salary standpoint anyway, what you do is as important as what you're called. Just about half of the survey respondents cited traffic/

The Dollar Value of an Education

You may not have believed it as you tumbled out of bed to make that 7:30 a.m. Economics 101 class, but the old axiom proves true, after all. Education *does* pay. That's one of the clearest conclusions from our fifth annual salary survey.

Readers with college degrees earn significantly more than their non-degreed counterparts. And that differential holds true regardless of job title or function, industry, or years of experience. Earn a graduate degree, preferably an MBA, and the compensation for your efforts gets even sweeter, our survey shows.

Looking at the total survey sample, we find that respondents with a high-school education only (11 percent of the sample) average $36,746. Respondents with a college degree earn just about $10,000 more on average, an increase of 28 percent. As further proof of the value of that degree, consider this: Those respondents with some college education—but no degree—earn only $2,000 more than their high-school–only counterparts.

As with the degree vs. non-degree numbers, a huge gap exists between college-degree holders (BS/BA) and MBA types. Specifically, the 166 respondents with MBA degrees (8 percent of the sample) averaged a healthy $61,000. That's $14,000 more than the BS/BA degree holders and $24,000 greater than the high-school–only respondents. MBA degrees, by the way, are far more rewarding financially than other graduate degrees, as the table below shows.

As might be expected, the highest-compensated readers are the best educated. Four out of five readers earning in excess of $75,000 have at least a college degree. And a third of them have a graduate degree.

The message from our salary survey regarding education seems simple enough: If you don't already have a college degree and there's any way you can get one, go for it! If you're thinking of picking up a graduate degree in the hopes of boosting your earning power, go for the MBA.

Average Salaries by Education

High school only	$36,746
Some college	$38,796
College degree (BS/BA)	$46,771
Graduate degree	$48,420
MBA	$60,939

transportation as their primary job function. This sizable segment averaged just over $40,000. That's $28,000 less than the average earned in the top-paying job category, namely computer systems. These distribution-department computer wizards composed only 2 percent of the survey sample, but they averaged an astonishing annual salary of $67,971!

Interestingly, readers with the broader responsibility of "distribution/logistics" earned considerably more than those who characterized their job as "traffic/transportation." More precisely, the differential was about $10,000. To find the average salary in your job category, see Figure 3.

Experience and Education

Not surprisingly, experience, age, and education bear a close correlation to salary levels. To oversimplify something that's fairly obvious anyway, the more experience you have in our profession, the higher your pay. To illustrate, readers with 20 years' experience average a hefty $52,600. By contrast, newcomers to transportation/distribution (five years or less) average only $33,000. Figure 4 charts how earnings increase with experience.

The same general pattern holds when you analyze salary by the years the respondents have been with their present companies. More than two out of five respondents who have been with their present companies for more than 20 years earn upwards of $50,000. Turning to those with five or fewer years' tenure with their present companies, you find only one in five at $50,000 or better. By the way, our survey respondents overall are a seasoned group in terms of both years of experience and company tenure. They average 15 years' experience in transportation/distribution and 11 years with their present company. They've been in their current position an average of six years.

Given that level of experience and company longevity, it's not surprising that they are given significant supervisory and managerial responsibility. Respondents to this year's survey have 12 people, on average, reporting to them.

Figure 2

Salaries by Job Title: What's in a Name?

Corporate/Divisional Manager	$68,875
Vice President/General Manager	$68,757
Logistics Manager	$51,743
Sales/Marketing Manager	$46,622
Private-Fleet Manager	$43,485
Operations Manager	$40,868
Warehouse/DC Manager	$40,077
Traffic Manager	$38,347
Assistant TM/Analyst	$33,793

Senior managers in our field *(i.e., those with titles such as corporate distribution manager, vice president, or general manager) earn about twice the average salary of an assistant traffic manager or rate analyst.*

Figure 3

Salaries by Function: Which Jobs Pay Best?

Computer Systems	$67,971
Planning	$53,946
Sales/Marketing	$53,609
Distribution/Logistics	$50,014
Inventory Control	$48,252
Fleet Operations	$46,119
Warehousing	$43,371
Import/Export	$40,248
Traffic/Transportation	$40,001
Materials Handling	$37,643

There's a $30,000 difference *between those few respondents whose main job involves computer systems and those in materials handling. Salaries in the largest job segment, traffic/transportation, averaged $40,000.*

Though this supervisory responsibility is high compared to other departments in the organization, it is down from levels reported a year ago. Respondents to last year's survey supervised an average of 16 people. Part of this drop can be explained by the downsizing of traffic and transportation departments in recent years. Quite simply, computers are doing jobs that used to be done by people. Another explanation may be that some companies are now outsourcing certain distribution activities.

In any case, as responsibility for others increases, so does compensation level. Only 20 percent of readers who have five or fewer people under them earn more than $50,000. This percentage rises steadily as supervisory responsibility increases. Forty percent of those readers with the heaviest management responsibility (25 or more people supervised) earn $50,000 or more.

In a similar way, age correlates with salary level. Readers under 30, on average, earn a little more than $30,000. Between the ages of 41 and 50, they are averaging $47,000. And when they reach 60, they're making close to $64,000 on average. For a closer look at how salaries relate to age, see the graph in Figure 5.

Education is an even more important salary determinant than age or experience. As the box on Page 3 4 makes very evident, the dollar

value of a college degree is amazing. Readers with a BS or BA degree earn $10,000 more than those without a degree. Earn an MBA, like 8 percent of our survey respondents did, and the difference becomes even more dramatic. The B-schoolers in our survey sample averaged close to $61,000!

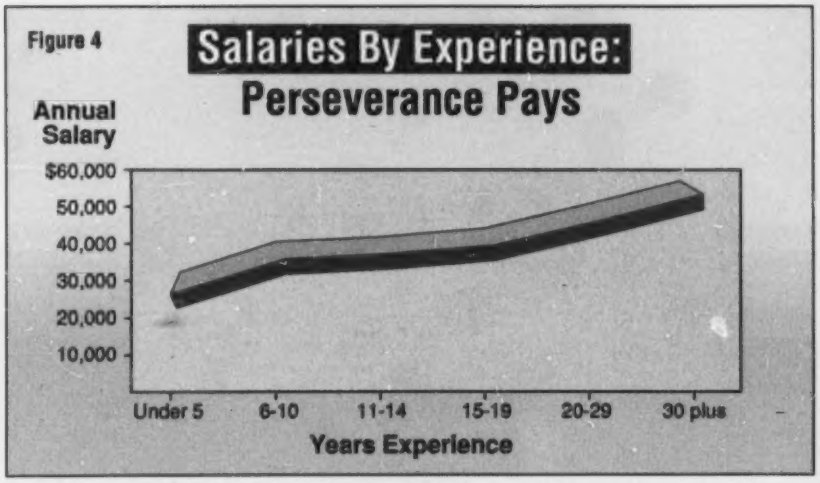
Size, Industry, and Location

The size of your company and your particular industry also make a difference in compensation levels. This year's survey shows that salaries are highest in companies with annual sales of more than $1 billion. Average pay for the 23 percent of the survey sample who work in these big companies was $53,000. That's $9,000 more than the overall average and $15,000 better than the average salary of readers working in the smallest companies (annual sales of $10 million or less).

As with company size, salaries vary according to the particular industry you work in. This year, the top average salaries were recorded in companies producing instruments and chemicals. Respondents in these two industry categories averaged well over $50,000 per year. And this year, as in past years, readers working in transportation-equipment and transportation-services industries earned well above the overall average, ranking third and fourth respectively. Rounding out the top five was public warehousing, which last year topped all other industry categories in average annual salaries. (See Figure 6 for a complete listing of salaries by industry.)

Salaries range not only according

Figure 4



Salaries increase steadily with experience. *The average pay difference between readers with less than 5 years experience in transportation/distribution and those with more than 30 years is $25,000.*

Which Cities Pay Best?

Salaries in transportation and distribution, like salaries in most other fields, vary widely depending on the location. It simply takes a lot more to get by in some cities than in others.

That range certainly is evident in this year's survey results. On one end of the spectrum we have Houston, where readers posted an average salary of $63,848. This sky-high level is due to a number of high-ranking distribution executives in that city, half of whom reported earning in excess of $50,000. On the other end of the spectrum is Portland, Ore., where average compensation was $35,000, the lowest among the major cities measured.

Our list of the top 10 metropolitan areas by average salaries represents a fairly logical mix upon reflection. In addition to Houston there are the high-priced, high-cost areas of the Northeast. New York City, last year's leader in the salary parade, came in second at $59,500. Joining the Big Apple further down in the top 10 were Northern New Jersey and Connecticut (Hartford-New Haven-Stamford areas). The highest-priced area on the West Coast, San Francisco-Oakland, also made the top 10.

Three cities that have emerged as distribution hubs also made the list of the 10 highest-paying cities. Joining Memphis, which was in last year's top 10, were newcomers Columbus and Atlanta.

Among the traditional heavy-industry towns, only Detroit remains in the top 10. Pittsburgh, which trailed only New York City in last year's survey, dropped to 17th place this year, posting an average salary of just over $41,000. Could the drop be explained by the downsizing of traffic departments in industrial companies? Or the related fact that we had far fewer returns from the Pittsburgh area this year? Probably both.

Among those major cities with the lowest average salaries (less than $40,000) were Portland, Ore.; Seattle/Tacoma, Wash.; Phoenix, Ariz.; Buffalo, N.Y.; Toledo, Ohio; and Allentown-Bethlehem-Easton, Pa.

Top 10 Cities*

1. Houston	$63,848
2. New York	$59,498
3. Hartford-New Haven-Stamford	$48,928
4. San Francisco-Oakland	$48,838
5. Memphis	$48,276
6. Columbus	$48,245
7. Northern New Jersey	$47,999
8. Detroit	$47,655
9. Atlanta	$46,086
10. Minneapolis-St. Paul	$45,761

*Average salaries, metropolitan areas with more than 20 survey responses.

to whom you work for, but also where you work. As the map in Figure 7 illustrates, respondents from the Northeastern states of New York, New Jersey, and Pennsylvania posted the highest salary levels, averaging $46,230. This is $1,600 more than the average reported in the second-highest region, the industrialized Midwestern states of Ohio, Indiana, Illinois, Michigan, and Wisconsin. Recording the lowest average salaries at just under $40,000 was the Rocky Mountain region.

Salaries by major metropolitan area ranged even more widely than the regional breakdowns. The full story on salary by cities is told in the box on Page 37.

The Gender Gap

Finally, we get to the subject of sex . . . or more properly, the salary differences between male and female respondents to our survey. Unfortunately, this year's numbers for men and women are similar to past survey results, suggesting that where salaries are concerned, the gender gap is as wide as ever. Male respondents, who represent 87 percent of the sample, averaged $46,097 overall; their female counterparts who responded to our survey earned $30,570. That's a not-insignificant difference of $15,000. Looked at from another angle, the average male respondent earned 50 percent more than the average woman working in the field.

Salaries are highest in the biggest companies—that is, those with annual sales of $1 billion or more.

As the statistics in Figure 8 suggest, there appears to be some rationale for these differences. The men overall have more years of experience, longer tenure with their companies, and generally higher education levels than the women respondents. Yet comparing men and women with like qualifications, that explanation becomes more difficult to defend. For example, women with 15 to 20 years of experience in transportation/distribution average $34,618. Men with the same amount of experience, by contrast, earn more than $46,000.

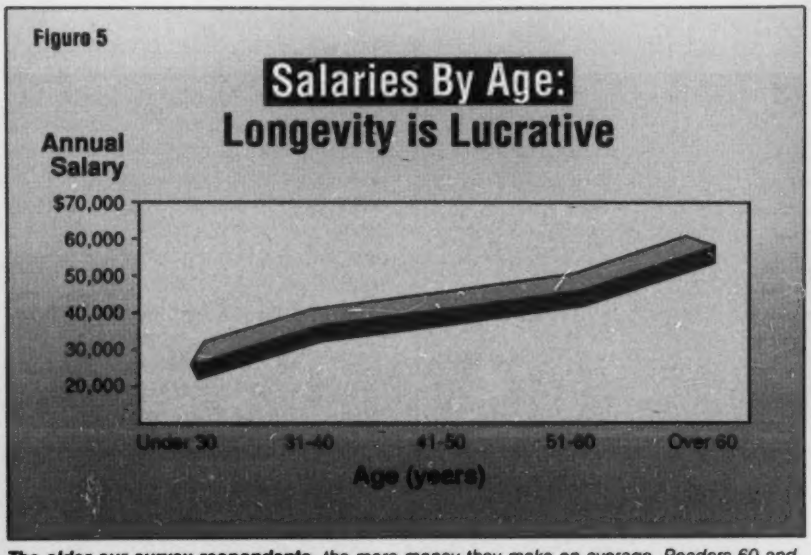
Similarly, a college-educated female respondent averages $33,547 as compared to $48,075 earned by her college-educated male counterparts. Female MBAs averaged $48,300 a year—about $14,000 less than the male MBAs. Similar analyses by job title or function or age yield the same kinds of differentials. The obvious conclusion: More needs to be done to bring women's salaries in line with industry (male) averages.

Wait 'Til Next Year

Traffic Management's annual salary survey not only measures current salaries in the field, but also reflects the changes taking place in traffic and transportation departments across America. From a purely monetary standpoint, we're happy to report that the numbers keep moving in the right direction . . . up. The $44,000 reached in this year's survey clearly put our readers at a respected position within the corporate hierarchy.

Looking beyond the salary numbers, we can see from the survey

Figure 5



The older our survey respondents, *the more money they make on average. Readers 60 and older are earning close to $64,000, our survey shows.*

Figure 6

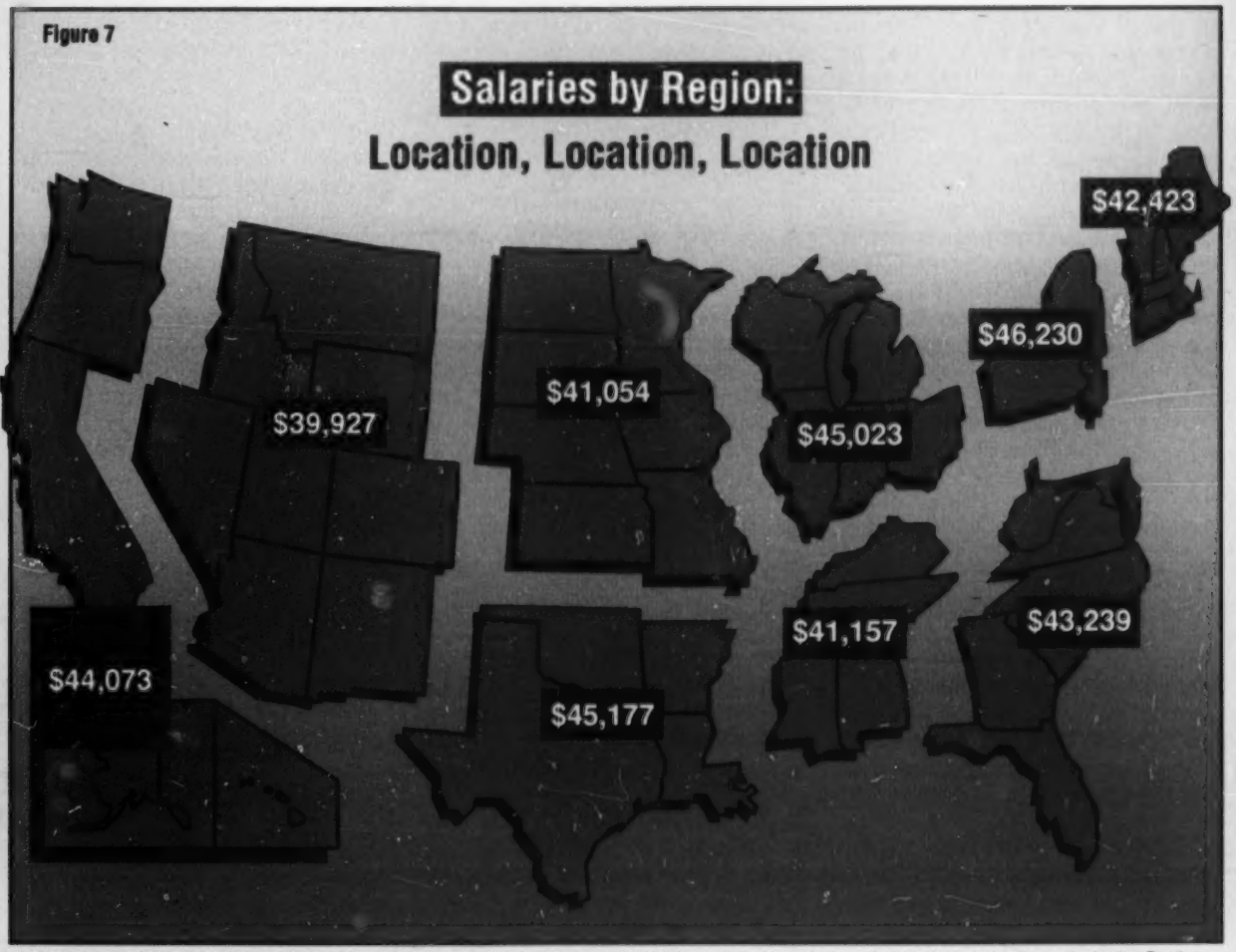
Salaries by Industry:

Wide Range Of Averages

Instruments	$54,202
Chemicals	$52,599
Transportation Equipment	$50,748
Transportation Services	$49,473
Public Warehousing	$46,910
Rubber & Plastics	$45,144
Food & Beverage	$44,978
Retail Trade	$44,727
Wholesale Trade (non-durables)	$44,519
Wholesale Trade (durables)	$44,179
Printing & Publishing	$44,034
Paper	$43,913
Electronics	$43,561
Stone/Clay/Glass	$42,942
Machinery	$41,680
Primary Metals	$39,487
Furniture & Fixtures	$39,432
Fabricated Metals	$39,100
Textiles & Apparel	$37,932

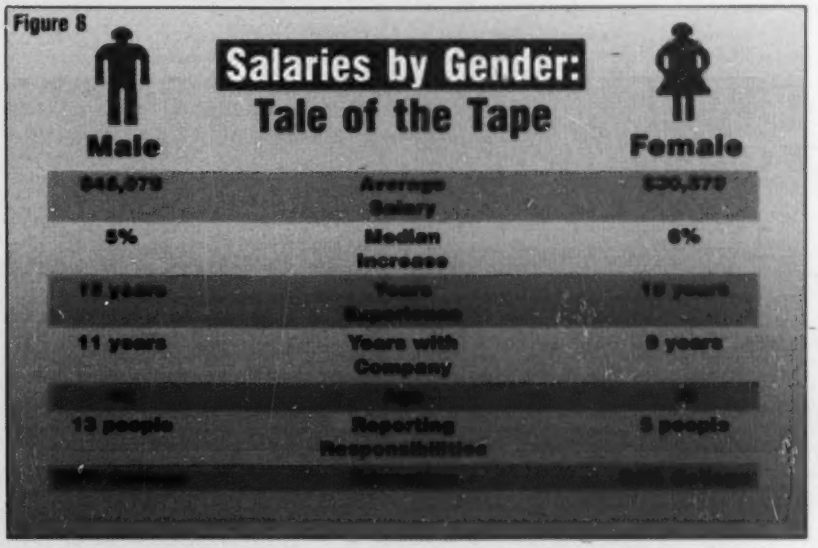
In this year's survey *as in last year's, chemicals, transportation equipment, transportation services, and public warehousing are in the top five industries ranked by salary averages. The top ranking this year, however, goes to the instruments industry, where salaries average just over $54,000.*

Figure 7



As this breakdown of salaries by region shows, *you tend to earn more in places like New York and New Jersey than you do in the Rocky Mountains. Of course, with the cost-of-living differences, you need to earn more.*

Figure 8



The salary gap that has existed *between men and women in past surveys continues this year. Part, but not all, of the salary difference can be explained by the added experience, supervisory responsibility, and education level of the male respondents.*

that the nature of the job is changing. For example, an increasing percentage of respondents characterize their main job responsibility as "distribution/logistics," which suggests a broadening of the job for many beyond a largely traffic orientation. We also see a decline in the numbers of people supervised by respondents. This clearly suggests a downsizing of corporate traffic and transportation departments as computerization continues at its breakneck pace.

Without your input we wouldn't be able to track salary progress or identify these trends. To those of you who completed our 1988 questionnaire, a sincere thank you. We invite everyone to participate in next year's survey. Watch for the salary questionnaire in our November 1989 issue. ■

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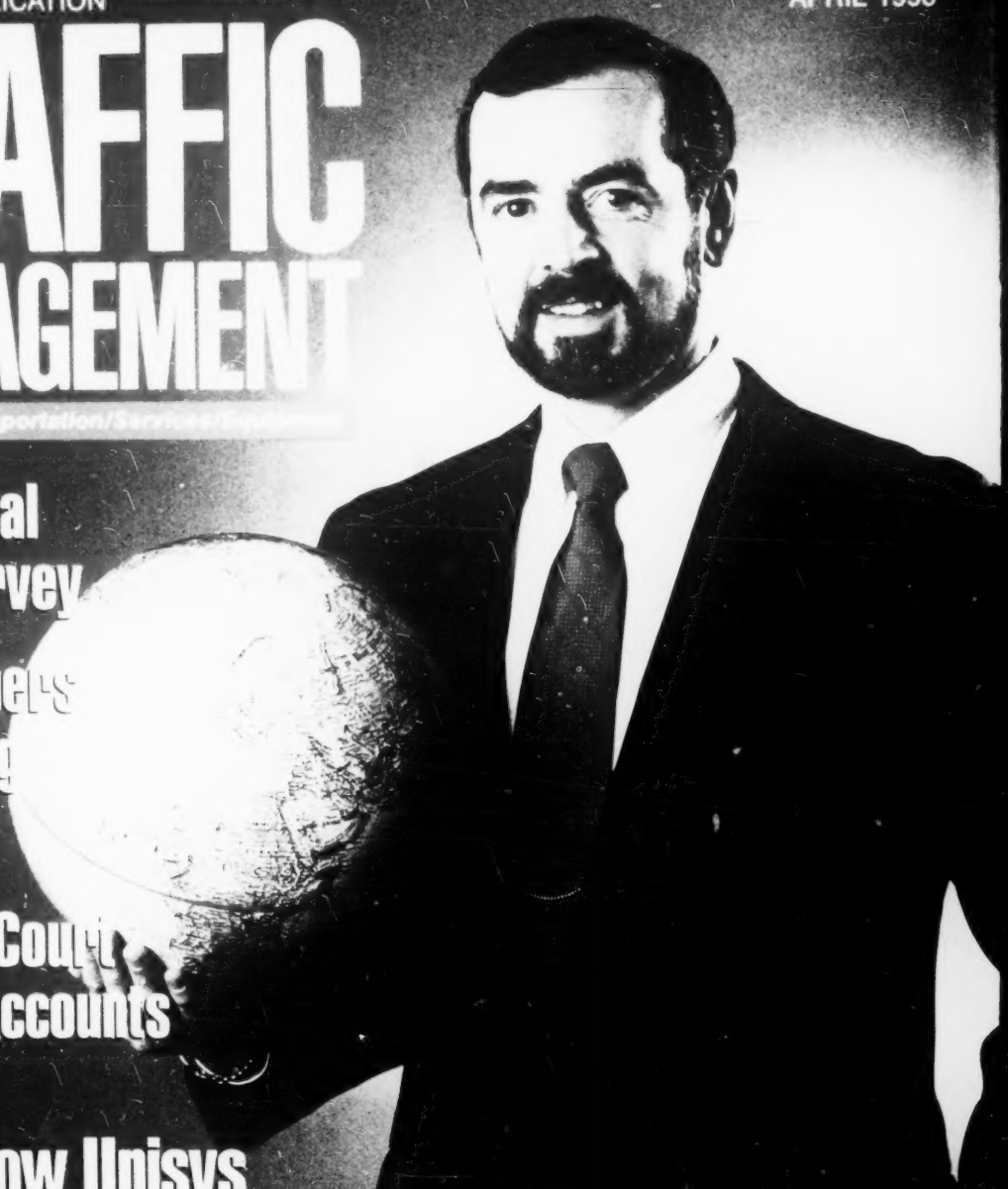

Brian Clayton of Unisys Corp.

MANAGEMENT UPDATE

Talk about making rail transparent to trucking . . . Conrail has taken things literally, naming a new short-haul service after a highway. Conrail's "I-95 Train" runs more or less parallel to Interstate 95 between Chester, Pa., and Reybold, Del. This 25-mile stretch of highway is notorious for its congestion and traffic jams. Conrail hopes that once the new service catches on with shippers, more than 6,000 short-haul truck trips a year will be taken off I-95 and put on the rails.

What's your chance of surviving a merger, acquisition, downsizing, or restructuring? Regrettably, it's a question that more and more managers are asking themselves these days. Well, the March 1990 issue of the *Customer Service Newsletter* contains an intriguing little self-test that could provide you with some answers. As the newsletter points out, you can analyze the test results and, if necessary, take remedial action *before* something happens to you. For a copy of the "Customer Service Survivability Quiz," circle Reader Service Number **128**.

Add AAA Trucking to the growing list of regional truckers that have sought bankruptcy protection under Chapter 11. The Trenton, N.J.-based motor carrier took the action after successive years of heavy losses. In 1988, AAA had attempted to reposition itself as an expedited overnight specialist in the Northeast, after operating for 57 years as a traditional LTL carrier. Among the other regionals to declare bankruptcy this year are Bender and Loudon Motor Freight, Allegheny Freight Lines, Arrow Carrier, Holmes Transportation, Berman's Motor Express, and Tri-State Transportation.

It's the granddaddy of all the carrier-recognition programs that have been started by shippers. Initiated in the post-deregulation era of the early 1980s, 3M's "Partners in Quality" program cites carriers for meeting and exceeding agreed-upon service standards. This year, 3M honored 21 different carriers as quality partners. Among the biggest were Yellow Freight, CF, Schneider National, Union Pacific, Federal Express, Hapag-Lloyd, and American President Lines. Over the past couple of years, carrier-recognition programs have proliferated, generating at least one press release a week to this magazine.

The reports of ANR's sale to Transcon have been greatly exaggerated, it turns out. The Coastal Corp., parent of ANR Freight System, last month announced it would not sell the big LTL carrier. Late last year, Coastal had said it would proceed with the sale. The reason for the reversal: The sale of ANR would not be in the best interest of the company, its employees, or its customers, Coastal said.

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TRAFFIC MANAGEMENT

APRIL 1990

FOR BUYERS OF TRANSPORTATION/SERVICES/EQUIPMENT

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Brian R. Clayton is part of a team that developed a worldwide information-management system at Unisys.
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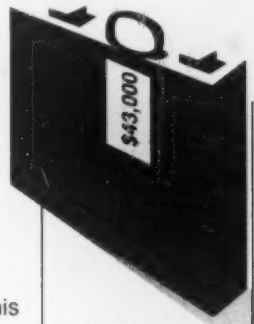

Find out where you stand in our sixth annual survey of readers' salaries.
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SALARY SURVEY

$47,000 and counting

That's the average salary reported by readers in this year's salary survey. Can $50K be that far off?

BY FRANCIS J. QUINN, EDITOR

Money isn't the only thing in life, but it sure as heck beats whatever comes in second.

No, we don't believe that either. But it is worthwhile to document the compensation levels of traffic and distribution professionals today. Plus, it satisfies a natural curiosity to know what other people are making.

The results of ***Traffic Management***'s sixth annual reader salary survey are in. And as always, they tell some interesting stories. The top-line finding is that the nearly 2,000 readers who responded to this year's survey now average $47,000 a year ($46,952 to be exact). Not surprisingly, that's the highest ever recorded in our surveys and a 7-percent increase over last year's figure of $44,000.

Another important finding of this year's survey is that certain job titles and job responsibilities pay a lot better than others. We also learned, once again, that education is a crucial factor in earning power and that women still lag behind their male counterparts on payday. Our annual survey also reveals that the more a company spends on transportation, the more it pays its transportation managers.

As with our earlier surveys, all of the findings are based on completed salary-survey questionnaires received from readers of ***Traffic Management.*** These questionnaires, which appeared in the November 1989 issue, were tabulated by an independent research firm. The project was directed by the Research Department of Cahners Publishing Co., ***Traffic Management***'s publisher.

Upwardly Mobile

Is there a "typical" respondent to our salary survey? Not really. The respondents work in a wide range of industries for companies that range from "mom-and-pop" operations to the biggest of the *Fortune* 100s. They're a geographically diverse group, too, representing every part of the country.

Drawing on the averages, however, one can build a composite respondent. You may even see something of yourself in this composite. He (nine out of 10 respondents are male) is 42 years old,

holds a college degree, and has 15 years of experience in the field. He's been in his current job as a traffic, transportation, or distribution manager for the past six years and has 13 people reporting to him. Our typical respondent earns $47,000, thanks to a 7-percent increase awarded at his last salary review.

Looking beyond the statistical averages, the survey findings show that salaries vary according to all sorts of factors—job title and function, work experience, education, age, sex, and annual freight bill, to name a few. Take job title, for example. It's clear from our survey that what you're called directly correlates to what you make. Several job-title categories now pay more than $50,000. Those at the very top of the title hierarchy, vice presidents and general managers, average a not-inconsequential $77,000. That's $9,000 better than these GMs and VPs reported earning last year, and $30,000 more than the overall survey average.

Two other job-title categories that denote upper management responsibility also averaged well above $50,000. Readers with titles such as corporate transportation manager or divisional director of distribution came in at $66,300. Logistics managers posted average salaries of $56,000.

As for those readers who represent the single biggest segment of our survey sample, the average reported salary reached just over $40,000. Traffic managers, who accounted for fully one-third of all respondents, earned about $7,000 less than the general average, although they made $2,000 more than they did last year.

Bringing up the rear of the title parade were readers who work in specialized traffic functions or in entry-level positions. Titles such as assistant traffic manager, claims supervisor, and rate analyst averaged less than $35,000. (Figure 1 gives a complete list of salaries by job title.)

Perhaps ironically, the respondents already making the biggest bucks received the best increases last year. Specifically, salaries of corporate and divisional managers jumped 9 percent. Vice presidents and general managers saw their salaries increase by 8.6 percent. Assistant traffic managers and specialists, on the other hand, received salary increases of just under 6 percent.

Salaries range not only by title, but also by principal job function, although not quite as widely. The single biggest job category, readers who consider traffic or transportation to be their most important responsibility, averaged $43,300. Those with slightly broader duties, those who characterized their main job as distribution or logistics, did considerably better. As a group, they earned $55,000.

Scoring highest overall were two job categories reported by a relatively small percentage of our survey sample. Readers in sales and mar-

Results at a Glance

Average Salary	$46,952 per year
Average Increase Over Last Year	6.9 percent
Average Years of Experience	15
Average Years With Company	11 years with present company, 6 years in current job
Supervisory Responsibility	13 people supervised on average
Education	59 percent hold a college degree
Average Age	42

Figure 1

Salaries by Job Title

Vice President/ General Manager	$77,365
Corporate/Divisional Manager	$66,325
Logistics Manager	$56,148
Sales/Marketing Manager	$51,055
Private Fleet Manager	$44,120
Warehouse/DC Manager	$43,363
Operating Manager	$43,360
Traffic Manager	$40,250
Assistant TM/Supervisor	$34,802
Traffic Specialist/Analyst	$33,956

***There's a $43,000 difference** between the high-paying salaries of V.P.s and general managers who responded to our survey and those of traffic specialists or analysts.*

Figure 2

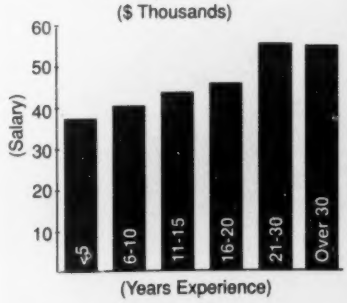
Salaries by Main Job Function

Sales/Marketing	$58,341
Planning	$56,165
Distribution/Logistics	$55,318
Computer Systems	$46,814
Materials Handling	$46,779
Fleet Operations	$45,084
Import/Export	$43,567
Traffic/Transportation	$43,308
Warehousing	$42,855
Inventory Control	$41,978

***The few respondents who listed sales/marketing or planning** as their primary job responsibility (under 7 percent) topped this year's ranking of salaries by job function.*

Figure 3

How Salaries Relate to Experience



***The more years of experience you have** in our field, the higher your salary. The big money breakthrough seems to come at 20 years.*

keting topped the field, posting an average salary of $58,300. Readers with planning as their principal responsibility finished a solid second at just over $56,000.

At the other end of the spectrum were respondents with inventory control as their most important responsibility. These readers, who constituted 7 percent of our sample, averaged about $42,000. (For a breakdown of salaries by principal job responsibility, see Figure 2.)

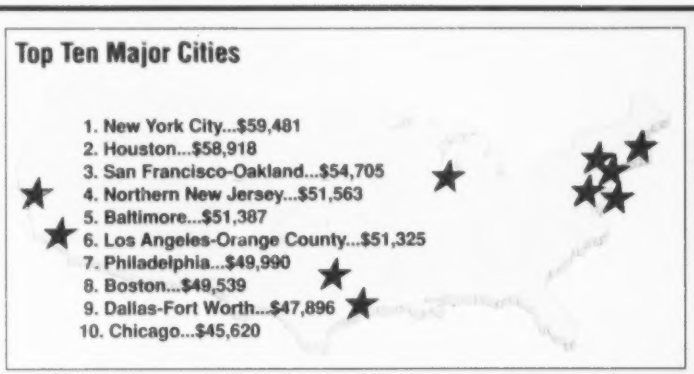
The Experience Factor

It shouldn't come as much of a surprise to learn that the more professional experience you have, the higher your earning potential. People just starting a career in our profession, those with five or fewer years of transportation/distribution experience, averaged only $37,000. That is roughly $10,000 below the overall average.

Salaries creep up steadily with years of experience, topping off at $57,000 for readers in the 20-years-and-over category. Interestingly, the ***Traffic Management*** readers who responded to this survey included a healthy portion of veterans. Fully 35 percent have more than 20 years of transportation experience. (Figure 3 shows the correlation between salary and years of experience.)

A similar pattern emerges when you compare earnings with years of tenure with the company. Only 23 percent of those readers employed by their companies 5 years or less earn more than $50,000. This jumps to 37 percent for respondents working with their companies from 10 to 20 years. Readers who have stayed at the same place 20 or more years—and who, by the way, compose 18 percent of the overall sample—did best of all. Half of these company long-timers earned more than $50,000 a year.

Cross referencing job responsibilities with years in the company, we find that readers whose main function is materials handling report the shortest time in service. They average just under nine years with their present company, as opposed to 11 for the survey average. Yet while they have relatively less tenure with their companies, readers involved in materials handling have worked in their current jobs longer than the others. They average seven and one-



Which Cities Pay the Best?

This year's ranking of cities by average salaries reported offers an interesting mix of familiar places and newcomers. Topping the list of major cities are New York, Houston, and San Francisco-Oakland—three places that have scored high on the salary charts ever since we launched our salary survey in 1985.

Among the newcomers to the top-10 city rankings this year are Baltimore, Philadelphia, and Boston. All three of these towns were bunched in the middle of the pack in earlier surveys. But this year, they came in relatively high. Given the high cost of living in the Bosnywash Corridor, it's not surprising that these cities hadn't shown up in the top 10 earlier.

Salaries in the traditional manufacturing centers continue their gradual decline vis-à-vis other parts of the country. For example, Pittsburgh, which for several years had finished first or second among big cities, last year fell out of the top 10. This year, Pittsburgh salaries bounced back a bit, just like the city's NFL team. Still, at $51,000 they lag behind the top-paying cities of New York and Houston by $8,000 to $9,000. Detroit, another traditional manufacturing city, ranked eighth among big cities in last year's survey, but dropped to 15th this year.

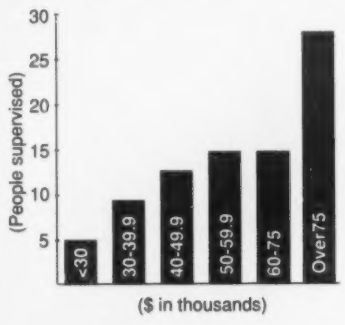
Since we've been conducting our survey, places like New York-New Jersey, Los Angeles-Orange Country, and San Francisco-Oakland have consistently placed at or near the top of the list. New York salaries, in fact, have come in first or second every single year.

Certain patterns also emerge toward the bottom of the salary lineup. For example, Milwaukee, where salaries averaged $36,700 this year, has always appeared near the bottom of our city salary rankings. The same is true for some of the smaller towns measured, Louisville, Ky., and Toledo, Ohio, being two examples.

Within states, too, some interesting patterns are taking shape. Salaries in Columbus always seem to average a few thousand dollars more than those in Cleveland. Respondents from Houston always outearn their counterparts from Dallas. And salaries in Philadelphia consistently exceed those in the Lehigh Valley cities of Allentown-Bethlehem-Easton.

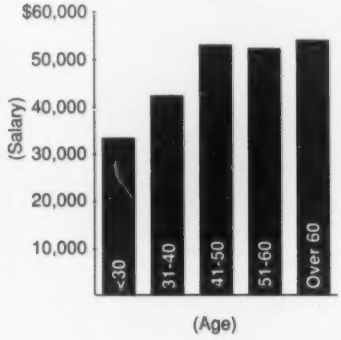
Regionally, the salary findings tend to mirror overall economic trends. This year, as in past years, salaries in the Northeast exceed those in all other regions east of the Mississippi. The most notable regional development this year is the emergence of relatively higher averages in the western part of the country. Salaries in the West Coast states, dominated heavily by returns from California, averaged $51,400—roughly $3,000 higher than in the Northeast. And in the Rocky Mountain states, which composed only 3.5 percent of our survey sample, the regional average was just over $53,000. Maybe Horace Greeley was right after all.

Figure 4



As salary levels creep up, so does supervisory responsibility. *The top earners who make more than $75,000 have 28 people reporting directly to them. For those making less than $30,000, the number is only five.*

Figure 5



Forty seems to be the watershed age *for compensation in our field. Those above this magic year all comfortably exceed $50,000. Younger readers fell short of that mark by $10,000 to $20,000.*

Figure 6

Salaries by Education Level

MBA Degree	$60,231
Other Graduate Degree	$50,983
College Degree	$48,683
Some College	$42,985
High School Only	$37,676

As they did last year, MBAs topped the earnings poll, *averaging $60,000 a year. The salary difference between them and high-school-only respondents was more than $22,000.*

half years in the same position, two years more on average than readers whose primary job responsibility is distribution/logistics, for example.

A strong correlation also exists between supervisory responsibility and salary. Readers at the high end of the salary scale, those who earn more than $75K, have 28 people reporting to them on average. By contrast, readers earning less than $30,000 have only five people under them. Overall, the average respondent had 13 people reporting to him or her. (Figure 4 shows how supervisory responsibility relates to salary.)

As with supervisory responsibility, age figures prominently in the compensation equation. The big money breakthrough seems to come at age 40, according to our survey findings. Readers in every age category above 40 all comfortably exceed $50,000 a year. The most sen-

A Snapshot of the Top Earners

The top earners in ***Traffic Management***'s sixth annual salary survey are those 9 percent of the respondents who earn more than $75,000 a year. This group displays some common attributes, a review of which may provide clues to what it takes to climb the salary ladder.

Looking at job titles, it's not at all surprising that two out of three top earners hold upper-management titles—VP/GM, corporate/divisional manager, or logistics manager. A handful of traffic managers and warehouse managers are in the group, along with one or two samples of every other title. The only job title not represented in the $75,000-and-over category was private-fleet manager.

Understandably, the top-earning readers have more experience than those in any other salary category. Typically, these readers report 20 years of transportation/distribution experience, or about five years more than the average. They also have greater supervisory responsibilities than the others. In general, about 28 people report to the $75K-and-over respondents. That's roughly double the average.

The top earners as a group also are more educated than the others. More than 80 percent have at least a college degree, and 30 percent have a graduate degree (generally an MBA). By comparison, 56 percent of those making less than $75K have at least a college degree and only 13 percent hold a graduate degree.

Though these higher-paid readers work in all of the industry groups measured, they tend to work in the bigger companies. In fact, almost half are employed by companies doing more than $20 million worth of business a year.

As for where these top earners are located, look to the biggest metropolitan areas. The highest percentage of $75K-plus readers can be found in New York-Northern New Jersey, followed closely by Chicago. Many of these readers also are clustered in Los Angeles/Orange County and San Francisco/Oakland. By contrast, several of the larger cities showed no respondents in the $75K-plus category. These included Phoenix, Denver, and Portland, Ore.

On a demographic note, this top-earning fraternity averages 47 years of age, five years older than the norm. It is, by the way, a fraternity. Virtually all (99 percent) of the respondents earning more than $75,000 are male.

If you are just joining the $75,000-and-over club, the best news may be that your salary will climb even faster next year. Our top-earning readers this year averaged 8.6-percent increases—2 percent better than just about everybody else.

ior set, readers aged 60 and over, scored highest of all, averaging just over $54,000. Respondents in the 51–60 age group averaged $52,200, while those 41 to 50 did a little better, at approximately $53,000.

The salary gap between readers in the over- and under-40 age categories, however, was considerable. Readers aged 31 to 40, for example, averaged $42,400. This amounts to about $10,000 (or 25 percent) less than the 41- to 50-year-olds. The gap between the plus-40s and under 30s was even wider. The younger group averaged only $33,400, almost $20,000 less than the 40-and-over crowd. (Figure 5 recaps salaries by age groups.)

Count on Education

If your parents pushed you to get a college education, call them up and say thanks. If your spouse encouraged you, give him or her a big hug tonight. And if you got the degree with your own money and initiative, pat yourself on the back. Your education paid off, as our survey proved conclusively for the sixth consecutive year.

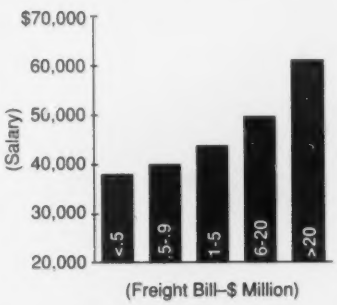
Overall, readers with at least a four-year college degree earned just over $50,000. By comparison, those with some college background but no degree made $7,000 less, or $43,000. And those with only a high-school diploma averaged about $37,000. (See Figure 6 for more details on salaries by education level.)

The higher your degree, the greater your compensation, too. People with non-MBA graduate degrees averaged $51,000. The highest salary achievers, however, are those MBA types. In this year's survey as in last year's, MBA degree holders averaged more than $60,000. Interestingly, the number of MBA holders working in our profession is on the increase, if our survey results are any indication. Five years ago, MBAs made up only 7 percent of our survey sample. This year, they accounted for 10 percent.

Obtaining an ICC practitioner's certificate is relatively less important than getting a college degree. ICC practitioners are, however, somewhat better compensated than non-practitioners. This year's results show practitioners averaging $50,200 vs. $46,000 for all others.

Figure 7

Salaries and Total Freight Bill



Companies with the largest total transportation costs pay the best. *Those 20 percent of the respondents whose companies' freight bills exceed $20 million average $61,566, or $14,000 more than the overall average.*

Figure 8

Salary Ranking by Industry

Public Warehousing	$56,252
Transportation Services	$53,980
Retail Trade	$53,780
Transportation Equipment	$53,190
Chemicals	$50,521
Paper	$49,236
Food and Beverage	$49,186
Printing and Publishing	$48,246
Primary Metals	$47,980
Wholesale Trade (non-durables)	$47,083
Instruments	$46,999
Wholesale Trade (durables)	$46,327
Electrical/Electronic Equipment	$45,001
Stone, Clay, Glass	$43,347
Machinery (except electrical)	$42,986
Textiles and Apparel	$42,736
Rubber and Plastics	$41,940
Fabricated Metals	$40,212
Furniture and Fixtures	$37,174

Salaries averaged best in the service segment of our readership. *Respondents working in public warehousing and in transportation service companies led the pack, averaging well above $50,000.*

Bigger's Usually Better

Add to the more-education-is-better axiom one more maxim: The more your company spends on transportation, the higher your salary is likely to be. The numbers from this year's survey are revealing. Readers in companies that spend more than $20 million annually on freight services, about 20 percent of the survey sample, average a staggering $61,500. That's more than $14,000 above the overall average and $23,000 better than readers in companies whose freight bill is $1 million or less. (See Figure 7.)

Some types of industries are better to work in, too. The top-paying industries this year are clustered on the service side of our circulation. Specifically, managers working in public warehousing easily outdistanced the rest of the pack, averaging more than $56,000 a year. In second place, at $54,000, were those readers in transportation-service companies—i.e., carriers. Finishing third among industry categories were readers in the retail sector.

The furniture and fixtures sector, at $37,000, fell to the bottom of the industry rankings this year. This sector, in fact, represented the only industry grouping in which earnings averaged less than $40,000 overall. (Figure 8 gives the complete listing of salaries by industry.)

Gender Gap Closing?

Let's now consider how gender relates to compensation. For those 12 percent of all survey respondents who are women, there's the proverbial good news-bad news story. The bad news is that women's salaries lag behind men's by some $15,000. Male respondents average $48,700 a year vs. $33,500 for females.

The good news is that the women's salaries have increased by more than $3,000 over last year, a jump of 10 percent. For men, the increase was just under 7 percent. Another bit of good news is that the salary percentage gap between the two sexes is narrowing, albeit slightly. In last year's survey, male readers' salaries averaged 50 percent higher than women's. This year, the compensation differential is still high, but it's down to 45 percent.

A review of the survey findings may explain in part why men outearn their female counterparts. When it comes to such key variables as industry experience, supervisory responsibility, and education, the men simply have better numbers overall. Take professional experience, for example. Male respondents average 16 years of transportation/distribution experience as compared

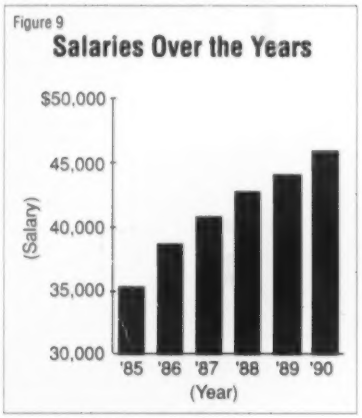
to 11 for women. Similarly, men have been with their present companies two years longer than women on average. In addition, the males have a little more supervisory responsibility than females—13 people supervised vs. 10.

One big difference between the sexes lies in education level achieved, a critical salary determinant. Three out of five male readers have a college degree, while only two of five females have earned their BS or BA. In addition, 16 percent of the females have only a high-school education vs. a considerably lower 10 percent for men.

Looking at another key salary variable, job title, we find that fewer than 6 percent of the female respondents work in the higher-paying title categories—vice president/general manager, corporate/divisional manager, logistics manager. Contrast this to the 20 percent of all male respondents who hold one of these senior titles.

But do these differences between male and female respondents justify a salary differential of 45 percent?

Figure 9



***Average salaries recorded by respondents** to **TM**'s annual survey have marched steadily upward.*

Probably not. This year's survey, however, offers the first glimmer of hope that the yawning salary gap between the sexes finally may be narrowing.

A Chronicle of Progress

Over the years, ***Traffic Management***'s salary survey has chronicled the progress of managers working in transportation and distribution. Back in 1985 when we launched the initial study, the average salary among readers was $35,500. Each year that number has increased steadily, breaking the $40,000 mark in 1987 and reaching $47,000 this year. (Figure 9 charts the average salaries reported in our surveys over the years.) Next year's salary average could top the $50,000 mark, if raises approach 7 percent as they did this year.

Salaries of distribution professionals today compare quite favorably to those of managers in other parts of the company, such as purchasing and manufacturing. This speaks not only to the caliber of the people working in our field, but also to the nature of the job. Quite simply, the job today is more challenging and has a greater direct bearing on overall company performance.

If we look at the salary figures in the aggregate, a compelling message emerges: Transportation and distribution professionals are solidifying their position as key members of the management team. **TM**

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